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IMPERIAL CALCASIEU REGIONAL PLANNING &
DEVELOPMENT COMMISSION
FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2002

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 12/10/02

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GUS SCHRAM & CO., Ltd.

A PROFESSIONAL CORPORATION

Certified Public Accountants

Business Consultants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Imperial Calcasieu Regional Planning
and Development Commission
Lake Charles, Louisiana

We have audited the accompanying general purpose financial statements of the Imperial Calcasieu Regional Planning and Development Commission as of and for the year ended June 30, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Imperial Calcasieu Regional Planning and Development Commission as of June 30, 2002, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated October 31, 2002 on our consideration of the Imperial Calcasieu Regional Planning and Development Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of Imperial Calcasieu Regional Planning and Development Commission taken as a whole. The accompanying financial information listed as supplementary information in the table of contents is presented for purposes of additional analysis and are not a required part of the general purpose financial



statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements.

Gus Schram & Co Ltd.

October 31, 2002

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

As of June 30, 2002

	Governmental Account Groups			Total (Memorandum Only)
	General Fund	General Long-Term Debt	General Fixed Assets	
ASSETS AND OTHER DEBITS				
Cash and Cash Equivalents	\$ 318,628	\$	\$	\$ 318,628
Grants Receivable	18,491			18,491
Interest Receivable	49			49
Dues Receivable	8,911			8,911
MPO Dues Receivable	35,868			35,868
Miscellaneous Receivable	345			345
Prepaid Expenditures	4,156			4,156
Refundable Deposit	0			0
Fixed Assets (Net, where applicable, of accumulated depreciation)			116,510	116,510
Other Debits:				
Amount to be provided for retirement of general long-term debt		5,648		5,648
TOTAL ASSETS	\$ 386,448	\$ 5,648	\$ 116,510	\$ 508,605
LIABILITIES, FUND BALANCE AND OTHER CREDITS				
Liabilities:				
Accounts Payable	\$ 3,744	\$	\$	\$ 3,744
Accrued Expenditures	8,692			8,692
Accrued Leave Payable		5,648		5,648
Deferred Income	120,963			120,963
TOTAL LIABILITIES	133,399	5,648	--	139,046
Fund Balance and Other Credits:				
Unreserved	248,893			248,893
Reserved - Prepaid Expenditures	4,156			4,156
Investment in General Fixed Assets			116,510	116,510
TOTAL FUND BALANCE AND OTHER CREDITS	253,049	0	116,510	369,559
TOTAL LIABILITIES, FUND BALANCE AND OTHER CREDITS	\$ 386,448	\$ 5,648	\$ 116,510	\$ 508,605

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - ALL
GOVERNMENTAL FUND TYPES
For the Year Ended June 30, 2002

<u>REVENUES</u>	
Federal and State Grants	\$ 186,495
Local Match - IMCAL	49,528
Dues	111,921
Other Income	11,163
Commission Car Reimbursement	<u>2,655</u>
Total Revenues	361,762
<u>EXPENDITURES</u>	
Current	
Personal Services	205,771
Contractual and Operating Supplies	56,697
Matching Funds	49,539
Capital Outlay	<u>0</u>
Total Expenditures	<u>312,007</u>
Excess of Revenues over Expenditures	49,755
<u>FUND BALANCE</u>	
Beginning of year	<u>200,522</u>
End of Year	<u>\$ 250,277</u>

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL - ALL GOVERNMENTAL FUND TYPES
For The Year Ended June 30, 2002

	Governmental Fund Type		Variance
	Budget	Actual	Favorable (Unfavorable)
REVENUES			
Federal and State Grants	\$ 170,329	\$ 186,495	\$ 16,166
Local Match - IMCAL	59,968	49,528	-10,440
Dues	111,979	111,921	-58
Other Income	12,200	13,818	1,618
Total Revenues	354,476	361,762	7,286
EXPENDITURES			
Current			
Personal Services	199,233	205,771	-6,538
Contractual and Operating Supplies	52,441	56,697	-4,256
Matching Dues	59,968	49,539	10,429
Capital Outlay	2,000	0	2,000
Total Expenditures	313,642	312,007	1,635
Excess of Revenues over Expenditures	40,834	49,755	8,921
FUND BALANCE			
Beginning of Year	186,200	200,522	--
Ending Fund Balance	\$ 227,034	\$ 250,277	\$ 8,921

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. NATURE OF ENTITY

Imperial Calcasieu Regional Planning and Development Commission (IMCAL) was created for the purpose of coordinating and assisting in the planning, developing and implementing of local, state, and federal programs on a regional basis. Improved communication and coordination among the planning efforts of the above programs was a primary goal of the eight regional planning and development districts, of which IMCAL represents District 5.

The accounting and reporting policies of the Commission conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the AICPA industry audit guide, Audits of State and Local Governmental Units.

This report includes all funds which are controlled by or dependent on the Board of Commissioners of the Imperial Calcasieu Regional Planning and Development Commission. Control by or dependence on the Board of Commissioners was determined on the basis of financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization that is fiscally dependent on the primary government should be included in its reporting entity. Based on the foregoing criteria, it was determined that no other agency should be included in this reporting entity.

B. BASIS OF ACCOUNTING

The accounts of the government are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2002

compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

The Commission has the following fund types and account groups:

Governmental Fund - General Fund is used to account for the Commission's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Grant revenue, dues and interest are susceptible to accrual. The dues related to the next fiscal year are accrued and deferred. Other receipts become measurable and available when cash is received by the Commission and are recognized as revenue at that time. The Commission also considers the materiality of the amount when determining accruals.

The general fund is the Commission's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. This fund also accounts for the various federal grants awarded to the Commission.

Account Groups. The general fixed asset account group is used to account for fixed assets not accounted for in proprietary or trust funds. The general long term debt account group is used to account for general long term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

C. FIXED ASSETS/DEPRECIATION

The Commission follows the practice of recording fixed assets at cost or estimated historical cost in the General Fixed Asset Account Group (GFAAG). For financial statement presentation purposes, assets purchased are recorded as expenditures in the general fund and capitalized at cost in the GFAAG.

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2002

For fixed assets purchased with non-grant money, depreciation has been provided using the straight-line method over the estimated service lives of the assets. Depreciation amounted to \$1,708 for the year ended June 30, 2002 and is charged to the various programs as an indirect cost. Fixed assets purchased with federal or state grant funds are not depreciated.

D. DEFERRED REVENUE

Deferred revenue is provided for the 2002-2003 dues (\$120,963) that are billed in the current year but are not due and payable until the following year.

E. COST ALLOCATION PLAN

Direct costs are charged directly to the grant in which the expenditure is incurred. All other costs not identifiable as direct charges are regarded as indirect costs and accumulated in a pool. This pool is distributed monthly to the grants based on the proportion of each grant's direct labor costs to total direct labor costs for that month.

F. ACCUMULATED LEAVE

For governmental fund types, the Commission's liability for accumulated unpaid annual leave has been recorded in the general long-term debt group of accounts. These amounts will be recorded as fund expenditures in the year in which they are paid or become due on demand to terminated employees. For monthly grant reporting purposes, the Commission allocates a portion of the earned annual leave as a salary cost and thus, the program is not charged when the actual leave is taken. The Commission's sick leave policy does not provide for the vesting of sick leave.

The Commission's employees earn annual leave at a rate of twelve days per year for employees with less than two years of service and fifteen days per year for employees with over two years of service. A maximum of 20 vacation days may be accrued. A liability for such accruals has been provided in the general purpose financial statements; however, no liability is reported for unpaid accumulated sick leave.

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2002

G. CASH AND CASH EQUIVALENTS

The Commission's cash and cash equivalents are currently comprised of cash on hand, demand deposits and certificates of deposit. State statutes authorize the Commission to invest in United States bonds, treasury notes or certificates, time certificates of deposit of state banks organized under the laws of Louisiana and national banks having its principal office in the State of Louisiana, as well as other investments stipulated in R.S. 33:2955. See Note 4 for further disclosures regarding cash and cash equivalents.

H. PREPAID EXPENDITURES/RESERVED FUND BALANCE

The Commission has purchased commercial auto, general liability, dishonesty, and worker's compensation insurance. The coverage is consistent with that from prior years. The Commission has elected not to expense amounts paid for the portion of insurance coverage that extends into the next fiscal year. The fund balance in the governmental fund type has been reserved for the prepaid expenditures recorded in these funds to reflect the amount of fund balance not currently available for expenditures.

I. BUDGETS

Budgets for the various programs are prepared by the Executive Director and approved by the Board of Directors. The original and subsequent amendments are also approved by the Board. The original budget was adopted on April 23, 2001 and was amended on April 22, 2002. The amended budget is presented in these financial statements. Formal budgetary integration is employed as a management control device during the year.

J. ESTIMATES

The preparation of the financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. Actual results could differ from those estimates.

K. TOTAL COLUMNS OF COMBINED STATEMENTS - OVERVIEW

Total columns on the combined statements - overview are captioned "memorandum only" to indicate that they are presented only to help with financial analysis. Data in these columns do not present financial position, results of operation, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2: FIXED ASSETS

A summary of changes in general fixed assets for the fiscal year ended June 30, 2002 is as follows:

General Fixed Assets	Balance July 1, 2001	Additions	Deletions	Balance June 30, 2002
Non-Grant Program Fixed Assets:				
Furniture and Equipment	\$ 58,874	\$ -	\$ -	\$58,874
Improvements	<u>7,600</u>	<u>-</u>	<u>-</u>	<u>7,600</u>
Sub-total	\$ 66,474	\$ -	\$ -	\$66,474
Grant Program Fixed Assets:				
Furniture and Equipment	\$113,796	\$ -	\$ -	\$113,796
Total	<u>\$180,270</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$180,270</u>
Accumulated Depreciation	Balance July 1, 2001	Additions	Deletions	Balance June 30, 2002
Non-Grant Program Fixed Assets:				
Furniture and Equipment	\$ 54,836	\$ 1,488	\$ -	\$ 56,324
Improvements	<u>7,215</u>	<u>220</u>	<u>-</u>	<u>7,435</u>
Total	<u>\$ 62,051</u>	<u>\$ 1,708</u>	<u>\$ -</u>	<u>\$ 63,759</u>

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2002

NOTE 3: CHANGES IN LONG-TERM DEBT

The following is a summary of transactions relating to the Commission's long-term debt/liabilities during fiscal year ended June 30, 2002:

	Balance 7/01/01	<u>Principal</u>		Balance 6/30/02
		<u>Additions</u>	<u>Reductions</u>	
Accumulated unpaid vacation	\$ <u>4,584</u>	\$ <u>1,077</u>	\$ <u>13</u>	\$ <u>5,648</u>
Total Long-Term Debt	\$ <u>4,584</u>	\$ <u>1,077</u>	\$ <u>13</u>	\$ <u>5,648</u>

NOTE 4: CASH AND CASH EQUIVALENTS

At June 30, 2002, Imperial Calcasieu Regional Planning and Development Commission had the following balances in its cash accounts:

	<u>Bank Balance</u>	<u>Book Balance</u>
Petty Cash	N/A	\$ 150
Hibernia National Bank: Checking	\$ 24,390	24,390
First Federal Savings: Certificate of Deposit	60,851	60,851
Bank One: Money Market	232,115	232,115
Cafeteria Plan Checking	<u>1,122</u>	<u>1,122</u>
Total Cash	<u>\$318,478</u>	<u>\$318,628</u>

Governmental Accounting Standards Board Statement 3 (GASB-3) concludes that deposits with financial institutions should be evaluated for risk and classified in one of the three following categories:

Category 1 - Insured or collateralized with securities held by the governmental entity or by its agent in the name of the governmental entity.

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2002

Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the governmental entity's name.

Category 3 - Uncollateralized or collateralized with securities that are not evidenced by a written security agreement or not in the name of the governmental entity.

	<u>Bank Balance</u>	<u>Book Balance</u>
Category 1	\$318,478	\$318,478
Category 2	-	-
Category 3	-	-
Total Cash	<u>\$318,478</u>	<u>\$318,478**</u>

** Petty Cash of \$150 is not presented in the above presentation.

NOTE 5: RECEIVABLES

Grants receivable at June 30, 2002, consisted of reimbursements for expenditures incurred under the following programs:

<u>Program</u>	<u>Amount</u>
FHWA Grant	\$ 12,639
FTA Grant	1,227
Enterprise Zone	<u>4,625</u>
Total	<u>\$ 18,491</u>

Miscellaneous non-grant receivables were recorded in the amount of \$394 (including \$49 in interest receivable) while \$44,779 was recorded for 2002-2003 dues which were billed in June, 2002, but not received by June 30, 2002. Management does not believe that there is a credit risk exposure in relation to any of the above receivables.

NOTE 6: BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2002

NOTE 7: LEASE COMMITMENTS

The Commission leases its office space at a monthly rate of \$1,733. The annual lease is renewable in March of each year by the Commission. The lease expenditure for the year ended June 30, 2002 is \$20,798.

The Commission leased a 2001 Ford Taurus for \$408 for 24 months beginning in August, 2001. The Commission completed a lease for a 1999 Ford Taurus for \$405 for 24 months ending in July, 2001. Both leases are considered operating leases. Total lease expenditure for the year ended June 30, 2002 is \$4,893.

NOTE 8: ECONOMIC DEPENDENCY/FUNDING SOURCES

The Commission receives the majority of its revenue from funds provided through grants passed through the State of Louisiana. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the funds the Commission receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Commission will receive in the next fiscal year.

During the year, the Commission received the following amounts from various grants:

Federal Grants:

Economic Development Administration (Cycle 01-02)	\$ 62,633
Federal Transportation Administration (FTA)	\$ 16,965
Federal Highway Administration (FHWA)	\$ 97,635

State Grants:

Enterprise Zone	\$ 9,250
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NOTE 9: CAFETERIA PLAN

IMCAL offers its employees a flexible benefit plan known as a cafeteria plan, created in accordance with Internal Revenue Code Section 125. The plan, available to all full time employees, permits them to elect to have a portion of their salary paid to the plan and thereby not be subject to federal income or social security taxes on these amounts.

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2002

Therefore, the plan allows the plan participants to use tax-free dollars to pay for certain kinds of benefits and expenses which would normally be paid for with out of pocket, taxable dollars. Any amounts remaining in employee reimbursement accounts at the end of the plan year for which reimbursement of qualifying expenses has not been requested are forfeited.

NOTE 10: RETIREMENT COMMITMENTS

The Commission employees are members of the U.S. Social Security system which administers the plan and is responsible for benefit payments.

NOTE 11: CONTINGENT LIABILITIES AND COMMITMENTS

The Commission does not have any pending litigation cases at June 30, 2002. The Commission's management believes that any potential lawsuits would be adequately covered by insurance.

The Commission receives revenues from various federal and state grant programs which are subject to final review and approval as to allowability of expenditures by the respective grantor agencies. Any settlements or expenses arising out of a final review are recognized in the period in which agreed upon by the Commission.

NOTE 12: JOINT SERVICE AGREEMENT

On June 1, 2002, the Commission renewed its one year joint service agreement with the Lake Charles Harbor and Terminal District continuing to provide the District statistical data and information available to IMCAL which may aid the District in enticing and locating new industrial prospects to the District or in securing federal or state funding for road or other projects benefitting the District. The \$10,000 payment received May 20, 2002 is accounted for as dues and is appropriately included in deferred revenue.

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2002

NOTE 13: RISK MANAGEMENT

As discussed in Note 1-H, the Commission has purchased commercial insurance for its auto, general liability, and dishonesty insurance. They have not retained any risk with respect to these activities. There were no significant reductions in coverages from the previous year and no significant claims in excess of insurance coverage.

The Commission also participates in the Louisiana Parish Government Risk Management Agency pool for its workers' compensation insurance coverage. The Commission is assessed an annual fee of approximately \$1,228 in exchange for this insurance coverage. Other than the annual premium, there have been no other assessments made by the pool and no further requirements imposed on the Commission.



GUS SCHRAM & CO., Ltd.

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION
SCHEDULE OF REVENUES AND EXPENDITURES - GRANT FUNDS

For the Year Ended June 30, 2002

Schedule 1

	ECONOMIC DEVELOPMENT ADMINISTRATION		DEPARTMENT OF TRANSPORTATION		TOTAL (MEMORANDUM ONLY)
	EDA Cycle	Enter- prise Zone	FTA	FHWA	
REVENUES					
Federal and State Grants	\$ 62,633	\$ 9,250	\$ 16,965	\$ 97,635	\$ 186,483
Local Match - IMCAL	20,878	11	4,241	24,409	49,539
Total Revenues	83,511	9,261	21,206	122,044	236,022
EXPENDITURES					
Salaries	32,645	3,640	8,622	46,253	91,160
Fringe Benefits	6,901	808	1,921	8,836	18,466
Consultants and Contractors	0	0	150	0	150
Travel	3,691	15	0	8,252	11,958
Supplies	0	0	0	925	925
Telephone	67	5	1	54	127
Publications and Printing	93	36	0	68	197
Registration and Subscriptions	315	0	75	1,068	1,458
Postage	333	356	14	165	868
Advertising	0	0	0	506	506
Indirect Expenses	39,466	4,401	10,423	55,917	110,207
Total Expenditures	83,511	9,261	21,206	122,044	236,022
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	\$ -0	\$ 0	\$ -0

Note 1: The above schedule includes depreciation of \$1,708 and the current year's accrual of leave costs of \$(1,064), which are charged as an indirect cost for accounting purposes. The schedule does not include non-federal expenditures of \$78,756. For financial statement purposes, the depreciation and leave costs are reflected in the general fixed asset account group and the general long term debt account group, respectively. These denoted items, when combined with the total expenditures on this schedule, will reconcile to the total expenditures on Exhibit 2 of this report.



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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Members of the
Imperial Calcasieu Regional Planning and Development Commission
Lake Charles, Louisiana

We have audited the general purpose financial statements of the Imperial Calcasieu Regional Planning and Development Commission, as of and for the year ended June 30, 2002, and have issued our report thereon dated October 31, 2002. We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of Imperial Calcasieu Regional Planning and Development Commission's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting.

However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 02-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, the reportable condition (lack of segregation of duties) described as Item 02-1 is considered a material weakness.

This report is intended for the information of management and the Legislative Auditor of the State of Louisiana.

Gus Schram & Co., Ltd.

October 31, 2002

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
PREPARED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED JUNE 30, 2002

I. Summary of Auditors' Results:

A) Type of Auditors' Report on Financial Statements:

Unqualified Opinion

B) Reportable Conditions and Material Weaknesses in Audit of Financial Statements:

Schedule 2, Item 02-1 is a reportable condition and a material weakness.

C) Compliance Findings in Audit of Financial Statements:

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

II. Compliance and Internal Control over Financial Reporting:

A) Internal Control - Financial Statement Audit

02-1 Lack of Segregation of Duties

Finding: Effective internal control is dependent to a great extent on segregation of responsibilities for initiating, evaluating, and approving transactions from those for detail accounting and other related functions.

Criteria: Proper internal controls require that there be segregation of certain duties.

Effect: There is no current financial statement impact of this finding.

Cause: Because of the entity's size, segregation of duties is not always feasible.

Recommendation: As in the previous year, we recommend that the executive director and board members continue to take an active interest in the monitoring of the Commission's financial information.

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
PREPARED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED JUNE 30, 2002

B) Compliance with Laws and Regulations - Financial Statement Audit:

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
PREPARED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED JUNE 30, 2002

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL
STATEMENTS

01-1 Lack of Segregation of Duties Unresolved - See Schedule 2,
Comment 02-1.

IMPERIAL CALCASIEU REGIONAL PLANNING AND DEVELOPMENT COMMISSION
MANAGEMENT'S CORRECTIVE ACTION PLAN (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2002

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL
STATEMENTS

02-1 Lack of Segregation
of Duties -

At this point, it is not feasible to increase the size of our accounting staff in order to provide proper segregation of duties. As we have done in the past, the management will continue to take the necessary actions to properly monitor the financial activities of the Commission which will include participation in the review of the monthly accounting data.